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RAYNE VOLUNTEER FIRE ASSOCIATION
RAYNE, LOUISIANA

FINANCIAL REPORT
December 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 09-20-00

BRUPBACHER & ASSOCIATES

A PROFESSIONAL ACCOUNTING CORPORATION

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RAYNE, LOUISIANA 70578

RAYNE VOLUNTEER FIRE ASSOCIATION
RAYNE, LOUISIANA

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Chief Lee Hebert
Rayne Volunteer Fire Association
Rayne, Louisiana

We have audited the accompanying financial statements of the Rayne Volunteer Fire Association, as of and for the year ended December 31, 1999. These financial statements are the responsibility of the Rayne Volunteer Fire Association's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

Our examination was made in accordance with generally accepted auditing standards, and accordingly, included such tests of the accounting records and other such auditing procedures as we considered necessary in the circumstances, except that the costs of the equipment portion of the fixed assets acquired prior to January 1, 1990 were not verified. Since individual property records were not maintained prior to January 1, 1990, it was not practical for us to determine the cost of such assets for the prior years.

In our opinion, with the exception stated above, the general purpose financial statements of the Rayne Volunteer Fire Department present fairly, in all material respects, the financial position of the Rayne Volunteer Fire Department, at December 31, 1999 and the results of its operations and cash flow for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Brupbacher & Associates
A Professional Accounting Corporation

Rayne, Louisiana
June 13, 2000

† audit data/vf/notes

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FINANCIAL STATEMENTS

RAYNE VOLUNTEER FIRE ASSOCIATION
RAYNE, LOUISIANA

COMPARATIVE BALANCE SHEET
December 31, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Current Assets:		
Cash	\$ 69,552	\$ 62,677
Investments	37,134	35,474
Accrued Interest	814	820
Total Current Assets	<u>\$ 107,500</u>	<u>\$ 98,971</u>
Fixed Assets: net of accumulated depreciation		
Land	\$ 10,000	\$ 10,000
Buildings and Improvements	36,778	38,829
Trucks and Equipment	347,163	174,520
Total Fixed Assets	<u>\$ 393,941</u>	<u>\$ 223,349</u>
Other Assets:		
Lease Deposit	\$ -	\$ 74,798
Total Assets	<u>\$ 501,441</u>	<u>\$ 397,118</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Current Liabilities		
Accounts Payable	\$ 6,765	\$ 740
Lease Payable	24,257	-
Total Current Liabilities	<u>\$ 31,022</u>	<u>\$ 740</u>
Long-Term Liabilities		
Lease Payable	\$ 81,152	\$ -
Fund Balance		
Fund Balance - - unreserved, undesignated	<u>\$ 389,267</u>	<u>\$ 396,378</u>
Total Liabilities and Fund Balance	<u>\$ 501,441</u>	<u>\$ 397,118</u>

The Accompanying Notes Are An Integral Part of
These Financial Statements

RAYNE VOLUNTEER FIRE ASSOCIATION
RAYNE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

Years Ended December 31, 1999 and 1998

Revenues:	1999	1998
Local Government Appropriations	\$ 20,000	\$ 50,000
Fundraising Income	12,463	8,991
Interest Income	3,016	4,857
Insurance Reimbursement	22,523	21,099
Miscellaneous Income	9,273	10,074
Total Revenues	\$ 67,275	\$ 95,021
Expenditures:		
Building maintenance	\$ 4,386	\$ 3,000
Fundraiser food purchase	731	1,242
Fundraiser beverage purchase	-	411
Interest expense	7,394	-
Professional fees	3,425	2,000
Office expense	1,170	1,122
Insurance	4,481	3,608
Uniform expense	5,362	2,801
Supplies/Repairs & Maintenance	3,774	7,024
Meeting expense	6,286	5,690
Depreciation	35,834	37,372
Training/Communication expense	1,370	4,516
Miscellaneous expense	347	76
Total expenditures	\$ 74,560	\$ 68,862
Excess of revenue over expenditures	\$ (7,285)	\$ 26,159
Prior Year Adjustments to Fund Balance	174	(165)
Fund balance, beginning of year	396,378	370,384
Fund balance, end of year	\$ 389,267	\$ 396,378

The Accompanying Notes Are An Integral Part Of
These Financial Statements

RAYNE VOLUNTEER FIRE ASSOCIATION
RAYNE, LOUISIANA

STATEMENT OF CASH FLOWS
Year Ended December 31, 1999 and 1998

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ (7,285)	\$ 26,159
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	35,834	37,372
(Increase) decrease in accruals	5	(708)
(Increase) decrease in prepaid expenses	74,798	(74,798)
Increase (decrease) in accounts payable	6,027	357
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 109,379	\$ (11,618)
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment	\$ (206,427)	\$ (2,122)
Improvements	-	(3,000)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ (206,427)	\$ (5,122)
CASH FLOWS FROM FINANCING		
(Increase) decrease in Note Payable	\$ 105,409	\$ -
NET INCREASE (DECREASE) IN CASH	\$ 8,361	\$ (16,740)
CASH AT BEGINNING OF YEAR	98,151	115,056
ADJUSTMENT TO PRIOR PERIOD	174	(165)
CASH AT END OF YEAR	\$ 106,686	\$ 98,151

The Accompanying Notes Are An Integral Part Of
These Financial Statements

RAYNE VOLUNTEER FIRE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1999

(1) Summary of Significant Accounting Policies

(a) Nature of Business - -

The Rayne Volunteer Fire Association was formed as a nonprofit association under the laws of the State of Louisiana, to provide fire protection services for the City of Rayne and certain rural communities. This corporation was formed January 22, 1904 under the provisions of R.S. 1950, Title 12 Chapter 2, as amended.

(b) Basis of Accounting - -

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the account and reported in the financial statements. The accounting policies of the Rayne Volunteer Fire Association conform to generally accepted accounting principles. The Fire Association's policy is to prepare its financial statements using the modified accrual method of accounting. The revenues are recognized when they become measurable and available and expenses are recognized when the related liability is incurred.

(c) Property and Depreciation - -

All property, plant, and equipment are recorded at cost. Depreciation is provided on assets on a straight-line method over the estimated useful life of the asset. It is estimated that the trucks have a useful life of twenty years. Life of any other equipment is estimated to be ten years.

(d) Estimates - -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

(2) Cash and Investments

Cash consists of amounts in demand deposit, cash on hand and interest bearing demand deposit accounts with federally insured financial institutions. Investments at December 31, 1999 consisted of time certificates of deposits held at federally insured financial institutions.

At December 31, 1999, the cash on hand was \$306 and the carrying amount of the Association's deposits were \$106,380 and the bank balance was \$106,380. The deposits were covered by federal depository insurance.

RAYNE VOLUNTEER FIRE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1999

(3) Property, Plant, and Equipment

Property, plant, and equipment are summarized by major classifications as follows:

	December 31, 1998	Additions	Reductions	December 31, 1999
Land	\$ 10,000	\$ -0-	\$ -0-	\$ 10,000
Buildings	61,000	-0-	-0-	61,000
Improvements				
-Buildings	12,105	-0-	-0-	12,105
Trucks	302,186	202,927	-0-	505,113
Equipment	199,246	2,122	-0-	202,963
Totals	\$ 584,537	\$ 206,427	\$ -0-	\$ 790,963

Accumulated depreciation and depreciation expense of the major classes of plant and equipment as of December 31, 1999 are as follows:

	Accumulated 1999	Expense 1999
Buildings	\$ 29,610	\$ 1,525
Improvements		
-Building	6,716	525
Trucks	188,194	19,509
Equipment	172,503	14,275
Totals	\$ 397,023	\$ 35,834

(4) Accounts Payable

As of December 31, 1999 the accounts payable consisted of the following:

	12/31/99
Supplies	\$ 172
Maintenance – Bldg/Truck	273
Meeting Expense	1,079
Equipment	4,052
Office Expense	375
Repairs & Maintenance	269
Uniform Expense	286
Dues	25
Communication Expense	202
Miscellaneous	32
Total	\$ 6,765

RAYNE VOLUNTEER FIRE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999

(5) Lease Payable

On December 31, 1998, a lease purchase agreement was signed by the Rayne Volunteer Fire Association to purchase a new fire truck. The "effective date" of the agreement was January 01, 1999. The agreement terms are 12% interest per annum with one payment due each year on January 15th for the next 5 years.

(6) Prior Period Adjustment

The prior period adjustment consists of interest on the CD at Iberia Savings Bank.

(7) Year 2000 Issue

The Rayne Volunteer Fire Department records are kept on a manual basis.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Chief Lee Hebert
Rayne Volunteer Fire Association
Rayne, Louisiana

We have audited the general purpose financial statements of Rayne Volunteer Fire Association, Rayne, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 13, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Rayne Volunteer Fire Association's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rayne Volunteer Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively

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Chief Lee Hebert
Rayne Volunteer Fire Association
Rayne, Louisiana

low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Rayne Volunteer Fire Association in a separate letter dated June 13, 2000.

This report is intended for the information and use of management, others in the organization, and the legislative auditor and is not intended to be and should not be used by anyone other than these specified parties.

Brupbacher & Associates
A Professional Accounting Corporation

Rayne, Louisiana
June 13, 2000

RAYNE VOLUNTEER FIRE ASSOCIATION
RAYNE, LOUISIANA

Schedule of Corrective Action Taken on Prior Year Findings
Year Ended December 31, 1999

Finding:

98-1 No formal reconciliation for fundraiser activities

As reported in the December 31, 1998 audit, there was no formal reconciliation retained in their records for fundraiser activities.

Corrective Action

98-1 The Volunteer Fire Association hired an independent CPA firm to oversee the fundraising activities and to maintain proper control and documentation.

Finding:

98-2 The audit report for December 31, 1998 was submitted to the Legislative Auditor's Office after the six month statutory issue date.

Correction Action:

98-2 The subsequent year audit report was submitted timely.

RAYNE VOLUNTEER FIRE ASSOCIATION
RAYNE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended December 31, 1999

Part 1. Summary of Auditor's Results

Auditor's Report – Financial Statements

A qualified opinion has been issued on the Rayne Volunteer Fire Department's financial statements as of and for the year ended December 31, 1998.

Material Noncompliance – Financial Reporting

The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

Reportable Conditions – Financial Reporting

The results of our tests disclosed no matters involving the internal control over financial reporting.

RAYNE VOLUNTEER FIRE ASSOCIATION
RAYNE, LOUISIANA

Corrective Action Plan
Year Ended December 31, 1999

Response to findings:

ML-1 Minute Book Entries

Management will update the minutes of meetings regularly and promptly.

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June 13, 2000

Rayne Volunteer Fire Association
Rayne, Louisiana

In planning and performing our audit of the financial statements of Rayne Volunteer Fire Association for the year ended December 31, 1999, we considered the Company's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We would like to present recommendations of internal control for consideration by the board. These suggestions are based primarily on the work done during our audit engagement and we do not wish to imply that they cover every possible weakness. Nevertheless we do think that they deserve your careful evaluation. If you have questions, regarding these matters, do not hesitate to contact me and I will be happy to go over each of these in detail. Again thank you for this opportunity to be of service to the Department.

ML-1

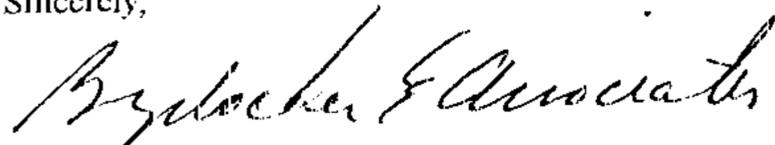
Finding: There is no formal presentation in the minute book of minutes for September – December 1999.

Recommendation: A permanent record of minutes of meetings are to be updated regularly.

Management's Response: The previous secretary resigned and the minutes were not transferred to the minute book. We will update the minutes of meetings promptly and regularly.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Company personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,



Brupbacher & Associates
A Professional Accounting Corporation